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ETERNAL CRISIS OUTLOOK, INC.
COMPILATION REPORT
FOR THE YEAR ENDED JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-11-2006

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

November 30, 2005

To the Members of the Board
Eternal Crisis Outlook, Inc.
1736 Laurel Street
Baton Rouge, LA 70806

I have compiled the accompanying Statement of Financial Position of Eternal Crisis Outlook, Inc. as of June 30, 2005, and the related Statement of Activities and Cash Flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Respectively submitted,

A handwritten signature in cursive script, appearing to read 'D.C. DeVille', written over a horizontal line.

ETERNAL CRISIS OUTREACH, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2005

ASSETS

Cash	\$-0-
	<hr/>
Total Assets	-0-
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Bank Overdraft	\$125
	<hr/>
	125
	<hr/>
NET ASSETS	
Net Assets	(125)
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TOTAL LIABILITIES & NET ASSETS	-0-
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(See Accountant's Compilation Report)

ETERNAL CRISIS OUTREACH, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

INCOME	
Work Force Investment Act Grant	\$73,640
Summer Camp Fees	2,920
Miscellaneous Income	1,873
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TOTAL INCOME	78,433
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EXPENSES	
Advertising	185
Bank Charges	619
Continuing Education	501
Contract Labor	3,791
Equipment Rental	195
Insurance	3,927
Interest	2,327
Licenses	600
Maintenance	816
Miscellaneous	337
Office Supplies	2,059
Payroll	47,218
Postage	136
Professional	1,150
Rent	5,008
Repairs	250
Snacks	352
Special Fees	26
Summer Camp Expense	420
Supplies	3,017
Taxes	128
Telephone	3,938
Travel and Entertainment	206
Utilities	2,787
Other Expense	28
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TOTAL EXPENSES	80,021
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DECREASE IN NET ASSETS	(1,588)
NET ASSETS, BEGINNING OF YEAR	1,463
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NET ASSETS, END OF YEAR	(125)
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(See Accountant's Compilation Report)

ETERNAL CRISIS OUTREACH, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets \$ (1,588)

Adjustments To Reconcile Increase In Net Assets
To Net Cash Provided By Operating Activities:
Depreciation -0-

(Increase) Decrease In Operating Assets:
Accounts Receivables -0-

Increase (Decrease) In Operating Liabilities:
Accounts Payable -0-
Payroll Taxes -0-

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (1,588)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Equipment -0-

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds From Line of Credit 29,026
Repayment of Line of Credit (27,563)

1,463

NET INCREASES (DECREASE) IN CASH (125)

CASH AND CASH EQUIVALENTS, Beginning of Year -0-

CASH AND CASH EQUIVALENTS, End of Year (125)

(See Accountant's Compilation Report)

ETERNAL CRISIS OUTREACH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Eternal Crisis Outreach, Inc. is a Louisiana non-profit corporation, incorporated in June 28, 1995 for the purpose to boldly prepare at-risk youth, adults, and citizens of the community for the future by providing a safe and drug-free atmosphere that promotes positive values and stress the dangers of drug and alcohol abuse and their effects in the community.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

CONTRIBUTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has no temporarily or permanently restricted net assets.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has not made any provision for federal income taxes in the income taxes in the accompanying financial statements. In addition, the organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509 (a) of the Internal Revenue Code. There was no unrelated business income for 2004.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REVENUE RECOGNITION:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

ETERNAL CRISIS OUTREACH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All donor-restricted contributions are reported as increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONTRIBUTED SERVICES:

The organization receives a substantial amount of services donated. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

CASH EQUIVALENTS:

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

PREPAID:

Insurance and similar services which extend over more than one accounting period have been recorded as expense.

FIXED ASSETS:

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or if donated, at the approximate fair value at the date of donation. Depreciation has not been computed.

CONCENTRATION OF SUPPORT

During the year ended June 30, 2005, the Organization derived approximately 93% of its revenue from State grants.

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organization maintains two bank accounts at two financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at this institutions did not exceed the Federally insured limits.

ETERNAL CRISIS OUTREACH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE #3. LOAN PAYABLE AND LINE OF CREDIT

The Eternal Crisis Outreach, Inc. has a \$10,000 revolving line of credit at the Hancock Bank and Harrison Finance. As of June 30, 2005, the Organization had \$-0- outstanding and payable.

NOTE #4. LEASE OBLIGATIONS

The Organization leases office space on a monthly basis at \$550 per month. Rental expense was \$5,008 for the year ended June 30, 2005.

NOTE #5. CONTINGENCIES

The Literacy Works, Inc. received a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE #6 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Organization's coverages.

The Organization's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

SUPPLEMENTAL INFORMATION

ETERNAL CRISIS OUTREACH, INC.
SCHEDULE OF PRIOR YEARS FINDINGS
YEAR ENDED JUNE 30, 2005

	FISCAL YEAR			
	FINDING		CORRECTIVE	CORRECTIVE
REF	INITIALLY		ACTION TAKEN	ACTION/PARTIAL
<u>NO.</u>	<u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>(YES,NO,PARTIALLY)</u>	<u>CORRECTIVE</u>
				<u>ACTION TAKEN</u>

None

ETERNAL CRISIS OUTREACH, INC.
SCHEDULE OF CURRENT YEAR FINDINGS
YEAR ENDED JUNE 30, 2005

REPORTABLE CONDITION: The Organization has a \$125 deficit net assets.

CRITERIA: Organization should not operate in deficit positions.

CAUSE: The Organization had \$12,480 in bank balances at year end but had outstanding checks greater than the bank balance by 125.

EFFECT: The Organization needs to raise fund to eliminate the liabilities and deficit.

RECOMMENDATION: I recommend that additional funds be raised to off-set the net asset deficit.

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ETERNAL CRISIS OUTREACH, INC.
BATON ROUGE, LOUISIANA

CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
YEAR ENDED JUNE 30, 2005

REF NO.	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	NAME OF CONTACT PERSON	ANTICIPATED COMPLETION DATE
1.	Deficit Net Asset	Fund Raisers And Additional Grants	Renetta Bell	6-30-06